

Testimony of
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In Support of HB 5362, An Act Concerning a Deduction from the Personal Income Tax For Student Loan Interest

Senator Bye, Rep. Willis and the members of the committee thank you for the opportunity to testify before you today in support of House Bill 5362, an act concerning a deduction from the personal income tax for student loan interest. Also thank you to Rep. Haddad, Rep. Flexer, and Rep. Rose for co-sponsoring this important bill.

I am a Junior Undergraduate student at Saint Joseph College and financial aid has been a year-to-year struggle for me during all of these years. My school's annual cost is \$ 41, 860 and regardless of how many scholarships one can obtain it is impossible to cover the entire tuition cost for all four years. In addition to this, tuition goes up every year because of the grant cuts or some new fees. As a result, the amount of my student loan that I take out each August after viewing my out of pocket expense, goes up every year.

I am considered to be the lucky one at my institution, receiving around \$24,000 in school grants and scholarships, however I still end up taking roughly \$10,000 out under my direct plus loan offered by the institution to cover the out of pocket expenses every year. This does not include those federal loans that are not part of my Direct Plus Loan but I will be responsible for paying it off starting 6 months after graduation. After my calculations, by the time I receive my bachelor's degree in International Studies and Political Science I will have \$41,000 in debt, plus another \$10,000 from the federal loans. The interest rate on my loan is currently 7.99%, adding about \$4,000 to my debt.

This picture definitely shapes my plans looking into the graduate programs. In order for me to be able to pay off my education debt I will need a stable job in my field, which is a challenge for the most part without a higher degree considering today's job shortage. But the question is, can I afford doubling my debt, will this ensure me a job that can pay for this debt. This has changed my plan to get into the famous school for master's degree into trying to get the best financial aide from any school so I can win this fight with the education trap. More I delay getting rid of my loan, more and more interest rate is adding up to it, so the payments that I am making right now every month, this is not even touching my loan principle, they just ensures that my calculated interest amount does not increase drastically.

While I was looking into the undergraduate institutions, they did not give you many choices of where you could take your student loan from, the road always ends at your school's financial aide offices with you signing off of the school offered loan program with a terribly high interest rate. What are you going to do if you do not

have another choice given? This leads us to increased part time job hours and working 2 or more jobs to pay the interest off by the time we graduate, I just think that today, going to school to be what you have always envisioned to be is not about being able to learn and keep up with the program but it is about surviving the financial stress and working more jobs than the amount of classes you take per semester.

By voting yes to this bill will give many students in this situation a hope that we will be given a chance to start our lives debt free.